

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1763 - SB 1936

February 3, 2014

SUMMARY OF BILL: Creates the *True Origin of Goods Act* (Act) which applies to any person or entity who operates a web site or online service that sells, offers for sale, leases, rents, distributes, directly or indirectly, any of the following goods or services: prescription medications, tobacco products, alcoholic beverages, auto parts. This act also applies to any person who owns or operates a web site or online service dealing in the electronic dissemination of commercial recordings or audio visual works, directly or indirectly, to one or more consumers in this state.

Creates a civil penalty of \$2,500 for failure to clearly and conspicuously disclose correct names, physical address, and telephone number on a web site or online service in a location readily accessible to online users. If the party found to be in violation of this Act does not comply with any permanent injunction, judgment, or court order, a court shall assess against the offending party a civil penalty of no less than \$5,000 and no more than \$10,000 for each day of non-compliance. In addition, a violation of this Act constitutes a violation of the Tennessee Consumer Protection Act, subjecting such defendant to additional penalties and remedies.

Authorizes the Attorney General and Reporter (AG) or a district attorney general of a county in which or from which a violation has occurred, to bring or join in an action in order to enforce compliance of this part, and to recover such applicable statutory damages and attorney's fees.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, Division of Consumer Affairs, any additional responsibilities can be handled within existing resources.
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- A not significant increase in revenue from collection of additional civil penalties assessed will offset any increase in workload to assess such penalties. The net impact is estimated to be not significant.

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COMMERCE IMPACT:**NOT SIGNIFICANT**

Assumption:

- Additional civil penalties assessed against individuals or business, as a result of this Act, will be minimal, resulting in no significant increase to the business expenses of any such online entity.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

/jdb